



COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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GAIL FARBER, Director

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

December 13, 2011

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

23 December 13, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

APPROVE AND ADOPT THE RESOLUTION SPECIFYING THAT THE AVIATION ENTERPRISE FUND (M02) IS AN INTEREST-BEARING ACCOUNT FOR THE FIVE COUNTY OF LOS ANGELES AIRPORTS: BRACKETT FIELD, COMPTON/WOODLEY, EL MONTE, GENERAL WILLIAM J. FOX AIRFIELD, AND WHITEMAN (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

SUBJECT

This action is to approve and adopt the Resolution specifying that the Aviation Enterprise Fund established by your Board is an interest-bearing account effective January 1, 2012.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and adopt the Resolution specifying that the Aviation Enterprise Fund is an interest-bearing account.
2. Authorize the Los Angeles County Auditor-Controller and the Director of Public Works or her designee to undertake all actions to implement the changes to the Aviation Enterprise Fund.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to place the Aviation Enterprise Fund with other interest-bearing accounts.

On August 16, 1983, your Board signed a Resolution pursuant to California Government Code Section 25261 to create an Aviation Enterprise Fund defined as a fund to account for aviation services furnished to the general public that are financed primarily by charges for such services and revenues associated with airport operations.

As a result of accepting an interest-free, long-term loan for airport development from the County General Fund in 1966, any interest earned by the Aviation Fund was redirected to the County General Fund until such loan is paid off. In 1984, the Resolution that established the Aviation Enterprise Fund did not specify whether the fund was to be included with other interest-bearing accounts due to the Aviation Fund having an outstanding balance of \$2.1 million on the interest-free loan. All interest earned by the Aviation Enterprise Fund continued to be redirected to the County General Fund by the Los Angeles County Auditor-Controller (Auditor-Controller). The County General Fund loan was paid in full, and it is appropriate that the Aviation Enterprise Fund be placed with other interest-bearing accounts. The anticipated interest earned for Fiscal Year 2011-12 is approximately \$50,000.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provision of Operational Effectiveness (Goal 1) and Community and Municipal Services (Goal 3). Implementation of the recommended action will authorize the Department of Public Works (Public Works) to earn interest on money in its Aviation Enterprise Fund increasing the County of Los Angeles' (County) funding sources for the operation and maintenance of the five County airports: Brackett Field, Compton/Woodley, El Monte, General William J. Fox Airfield, and Whiteman (County-owned airports), allowing the County to provide improved and more accommodating facilities for airport customers; and will support quality public works infrastructure services to the communities.

FISCAL IMPACT/FINANCING

Interest earned from the Aviation Enterprise Fund is currently going into the County General Fund. The anticipated interest earned for Fiscal Year 2011-12 is approximately \$50,000. This proposed action will redirect current and future interest earnings to the Aviation Enterprise Fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In exchange for accepting Federal grants under the provisions of Title 49, U.S.C., subtitle VII, as amended, the owners or operators of airports, referred to as sponsors, shall comply with various sponsor assurances. One such sponsor assurance that the County is obligated to comply with in return for accepting Federal grants is the requirement that all revenues generated by the airport will be expended by it for the capital or operating costs of the airport, the local airport system, or other local facilities owned or operated by the owner or operator of the airport and are directly and substantially related to the actual air transportation of passengers or property. It is the opinion of Public Works that interest earned on revenues generated by the County-owned airports should also be similarly used solely for the capital and operating costs of the County-owned airports.

The Federal Aviation Administration's (FAA) Revenue Use Policy also requires through its sponsor assurances that sponsors comply with generally accepted accounting principles and practices applying to the airport enterprise funds of State and local government entities. Neither the rules, regulations, nor policies of the FAA; the California Department of Transportation, Division of

The Honorable Board of Supervisors

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Aeronautics; or the California Government Code contain provisions prohibiting an enterprise fund from bearing interest.

The enclosed Resolution has been reviewed and approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

In accordance with Section 15378(b)(4) of the California Environmental Quality Act (CEQA) Guidelines, approval of the recommended action does not constitute a project and, hence, is not subject to the requirements of CEQA.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Airport users will benefit from the adoption of this Resolution, which will help to enhance the County's ability to maintain and improve its airports.

CONCLUSION

Please return three adopted copies of this letter and the signed Resolution to the Department of Public Works, Aviation Division.

Respectfully submitted,

A handwritten signature in cursive script that reads "Gail Farber".

GAIL FARBER

Director

GF:RLS:jem

Enclosures

c: Auditor-Controller
Chief Executive Office (Rita Robinson)
County Counsel (Michael Moore)
Executive Office

**RESOLUTION OF THE
BOARD OF SUPERVISORS FOR THE COUNTY OF LOS ANGELES
SPECIFYING THAT THE AVIATION ENTERPRISE FUND IS AN INTEREST
BEARING ACCOUNT FOR THE FIVE COUNTY OF LOS ANGELES AIRPORTS:
BRACKETT FIELD, COMPTON/WOODLEY, EL MONTE,
GENERAL WILLIAM J. FOX AIRFIELD, AND WHITEMAN**

WHEREAS, on August 16, 1983, the Board of Supervisors, adopted a Resolution pursuant to California Government Code Section 25261 to create an Aviation Enterprise Fund defined as a fund to account for aviation services furnished to the general public that is financed primarily by charges for such services and revenues associated with airport operations; and

WHEREAS, NOW, THEREFORE BE IT RESOLVED, by the Board of Supervisors of the County of Los Angeles:

The Aviation Enterprise Fund is to become an interest bearing account commencing on January 1, 2012.

The foregoing Resolution was adopted on the 13th day of December, 2011, By the Board of Supervisors of the County of Los Angeles and ex officio of the governing body of the which said Board so acts.




SACHI A. HAMAI
Executive Officer of the
Board of Supervisors of the
County of Los Angeles

By 
Deputy

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN
County Counsel

By 
Deputy